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VOC FOR IOP/FN
BACKGROUNDER 1-0453 MARCH 26, 1976
LARRY FREUND/BUCHAREST

ROMANIA SEEKING MORE U.S. TRADE

INTRO:

ROMANIAN OFFICIALS HAVE REAFFIRMED THEIR GOAL OF REACHING THE ONE THOUSAND MILLION DOLLAR MARK IN TRADE WITH THE UNITED STATES BY NINETEEN EIGHTY. VOA CORRESPONDENT LARRY FREUND REPORTS FROM BUCHAREST.

ANNCR:

IN PRIVATE CONVERSATIONS, ROMANIAN OFFICIALS SAY THEY ARE STILL AIMING FOR THE ONE THOUSAND MILLION DOLLAR MARK IN TRADE WITH THE UNITED STATES. THAT FIGURE WAS MENTIONED LAST SUMMER WHEN PRESIDENT FORD WAS IN ROMANIA, AND SIGNED DOCUMENTS RAISING THE CURTAIN FOR A U.S.-ROMANIAN TRADE AGREEMENT. THE AGREEMENT PROVIDING ROMANIA WITH MOST FAVORED NATION, THAT IS NONDISCRIMINATORY TARIFF STATUS, HAS BEEN IN EFFECT SINCE THEN. WHILE THERE WAS A SURGE OF TRADE FOLLOWING THE AUGUST AGREEMENT, TRADE BETWEEN THE TWO COUNTRIES ACTUALLY SLUMPED OVERALL IN NINETEEN SEVENTY-FIVE COMPARED TO THE PREVIOUS YEAR. BOTH ROMANIANS AND AMERICANS BLAME THE DROP ON SEVERAL FACTORS, INCLUDING ROMANIAN PURCHASES OF U.S. JETLINERS AND GRAIN IN NINETEEN SEVENTY-FOUR WHICH THEY SAY DISTORTED THE NORMAL TRADE PATTERN. HOWEVER, INCREASED ROMANIAN SALES TO THE UNITED STATES OF ITEMS SUCH AS LIGHT MACHINERY AND BEARINGS, COUPLED WITH ADDED TARIFF ADVANTAGES GRANTED TO ROMANIA BY THE UNITED STATES AT THE BEGINNING OF THIS YEAR, ARE EXPECTED TO LEAD A CONTINUED GROWTH IN TRADE.

STILL TO BE DEALT WITH IS THE COMING REVIEW BY THE AMERICAN CONGRESS OF THE AUTHORITY THAT LAST YEAR GAVE ROMANIA ITS MOST FAVORED NATION STATUS. LEGISLATION PROVIDING THAT STATUS WAS COUPLED BY CONGRESS TO ROMANIA'S TREATMENT OF ITS CITIZENS DESIRING TO EMIGRATE. KEY CONGRESSMEN HAVE VISITED ROMANIA IN PAST MONTHS TO PREPARE FOR CAPITOL HILL HEARINGS. TWO MAJOR FACTORS ARE LIKELY TO INFLUENCE CONGRESSIONAL ACTION ON THE LEGISLATION -- ROMANIA'S HANDLING OF EMIGRATION TO THE UNITED STATES, MOSTLY MEMBERS OF DIVIDED FAMILIES, AND ROMANIA'S TREATMENT OF APPLICATIONS TO LEAVE FOR ISRAEL.

AMERICAN DIPLOMATS IN BUCHAREST VIEW THE PRESENT PACE OF EMIGRATION TO THE UNITED STATES AS REASONABLE. ISRAEL IS KNOWN TO BE UNHAPPY WITH THE EMIGRATION SITUATION AND REGARDS LAST YEAR'S OVERALL PERFORMANCE BY ROMANIA AS DISAPPOINTING. HOWEVER AT THE PRESENT TIME, AMERICAN SOURCES EXPRESS GUARDED OPTIMISM THAT CONGRESS WILL AGREE TO A CONTINUATION OF ROMANIA'S MOST FAVORED NATION STATUS.

EVEN BEFORE THAT CONGRESSIONAL REVIEW, ROMANIA HAS LAUNCHED A MAJOR EFFORT TO EXPAND ITS SALES TO THE UNITED STATES DURING THE NEXT FIVE YEARS. IT HOPES TO SPUR EXPORTS BY, AMONG OTHER THINGS, TRAINING ITS DESIGNERS FOR THE AMERICAN MARKET. AT THE SAME TIME, ROMANIAN OFFICIALS VIEW THE UNITED STATES AS A PRIME SOURCE OF MODERN TECHNOLOGY AND THEY SEE BOTH FACTORS LEANING TO THAT THOUSAND MILLION DOLLAR TARGET.

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